

**FAIRBANKS
METROPOLITAN AREA TRANSPORTATION
SYSTEM**

**Inter-Governmental Operating Agreement
and
Memorandum of Understanding
for
Transportation and Air Quality Planning**

**Fairbanks North Star Borough,
City of Fairbanks,
City of North Pole,
and
State of Alaska**

**FAIRBANKS METROPOLITAN AREA
TRANSPORTATION SYSTEM**

**INTER-GOVERNMENTAL OPERATING AGREEMENT
and
MEMORANDUM OF UNDERSTANDING
for
TRANSPORTATION AND AIR QUALITY PLANNING**

**In The
Metropolitan Area
of the
Fairbanks Metropolitan Planning Organization**

Fairbanks North Star Borough,
City of Fairbanks,
City of North Pole,
and
State of Alaska

FAIRBANKS METROPOLITAN AREA TRANSPORTATION SYSTEM
INTER-GOVERNMENTAL OPERATING AGREEMENT
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SECTION 1 – PARTIES TO THIS AGREEMENT

The parties to this Agreement are the State of Alaska, the Fairbanks North Star Borough (FNSB), the City of Fairbanks, and the City of North Pole. The Borough is the designated host agency for the Metropolitan Planning Organization (MPO).

SECTION 2 – PURPOSE

This agreement is entered into in accord with 23 U.S. Code § 134 and 49 USC § 5303 – 5306 to provide the structure and process for the continuing, cooperative and comprehensive consideration, development and implementation of transportation and air quality plans and programs for intermodal transportation in the Metropolitan Planning Area (MPA) of the FNSB, 23 USC §134 states in pertinent part:

It is in the national interest to encourage and promote the safe and efficient management, operation, and development of surface transportation systems that will serve the mobility needs of people and freight and foster economic growth and development within and through urbanized areas and minimize transportation-related fuel consumption and air pollution. To accomplish this objective, the metropolitan planning organization in coordination with the State shall develop transportation plans and programs for urbanized areas of the State. Such plans and programs shall provide for the development of transportation facilities (including pedestrian walkways and bicycle transportation facilities) which will function as an intermodal transportation system for the State, the metropolitan areas, and the Nation. The process for developing such plans and programs shall provide for consideration of all modes of transportation and shall be continuing, cooperative, and comprehensive to the degree appropriate, based on the complexity of the transportation problems. 23 USC §134(a).

SECTION 3 – LEGAL AUTHORITY

3.1 Federal Transportation Planning Statutes

23 USC § 104(f), 23 USC § 134 and 49 USC § 5303 – 5306 provide funding and require designation of a metropolitan planning organization for urbanized areas of at least 50,000 population to carry out a transportation planning process and receive federal funding. Those Statutes require the State and the local governments to coordinate the planning and construction of all urban transportation facilities with a continuing, cooperative, and comprehensive transportation planning process.

3.2 Metropolitan Planning Organization Designation

On April 14, 2003, the Governor of the State of Alaska designated the Metropolitan Planning Organization and identified the Fairbanks Metropolitan Area Transportation System (FMATS) Policy Committee as the policy body providing the direction of transportation planning in the MPO in accordance with Federal law.

3.3 Federal Air Quality Regulations

Air Quality Title 42 USC § 7504 et. seq. requires each area-wide air quality planning agency to prepare an area-wide air quality plan providing for attainment of National Ambient Air Quality Standards (NAAQS). Alaska Statutes Chapter 46.14 requires the Alaska Department of Environmental Conservation (ADEC) to develop a State Implementation Plan (SIP) providing for the attainment of the NAAQS. The FNSB has been designated as the air quality planning agency and has adopted an Air Quality Plan, which is the local component of the SIP. The FNSB is the planning agency that coordinated transportation related air quality planning within the MPO. The Unified Planning Work Program includes the annual preparation of a Reasonable Further Progress Report on Air Quality and review of the goals of the Air Quality Plan. The FMATS Policy Committee must approve the area-wide Air Quality Plan.

SECTION 4 – DEFINED TERMS

As used in this Agreement, the following words and phrases shall have the meanings ascribed unless the context clearly indicates otherwise:

“ADEC” is the State of Alaska Department of Environmental Conservation.

“ADOT&PF” is the State of Alaska Department of Transportation and Public Facilities.

“AIR QUALITY PLAN” is the Fairbanks component of the State Implementation Plan for Air Quality regarding air quality strategies in non-attainment areas.

“ASSEMBLY” is the Fairbanks North Star Borough Assembly, the legislative governing body of the Fairbanks North Star Borough.

“CITY OF FAIRBANKS” is a home rule city, a political subdivision of the State of Alaska.

“CITY OF NORTH POLE” is a home rule city, a political subdivision of the State of Alaska.

“CO” is Carbon Monoxide - a colorless, odorless gas produced due to incomplete combustion of fossil fuels. Alaska has a potential for wintertime health problems with Carbon Monoxide in the Anchorage and Fairbanks areas.

“Conformity” is a process that governs federal actions in non-attainment and maintenance areas to ensure federal projects and programs conform to the State Implementation Plan for Air Quality and do not cause or contribute to new violations of air quality standards.

“Consultation” means that one party confers with another in accordance with an established process and, prior to taking action(s), considers that parties views and periodically informs that party about action(s) taken.

“Cooperation” means that the parties involved in carrying out the planning, programming, and management systems processes work together to achieve a common goal or objective.

“Coordination” means the comparison of the transportation plans, programs, and schedules of one agency with related plans, programs, and schedules of another agencies or entities with legal standing, and adjustment of plans, programs, and schedules to achieve general consistency.

“DOT” or “USDOT” is the United States Department of Transportation.

“DBE” is Disadvantaged Business Enterprise.

“EPA” is the United States Environmental Protection Agency.

“FAIRBANKS CITY COUNCIL” is the legislative governing body of the City of Fairbanks.

“FAIRBANKS NORTH STAR BOROUGH TRANSPORTATION PLAN” establishes the location, classification and minimum right-of-way for those streets and highways required to accommodate the highway transportation needs of the community.

“FHWA” is the Federal Highway Administration, an operating agency of the United States Department of Transportation.

“FMATS” is the Fairbanks Metropolitan Area Transportation System.

“FNSB” is the Fairbanks North Star Borough, a 2nd class borough, a political subdivision of the State of Alaska that includes the City of Fairbanks, the City of North Pole and the Metropolitan Planning Area (MPA) within its boundary.

“FTA” is the Federal Transit Administration, an operating agency of the United States Department of Transportation.

“LRTP” means and shall be referred to as the FMATS adopted Long-Range Transportation Plan and all revisions thereto adopted as the MPO’s Metropolitan (official intermodal) Transportation Plan for the Metropolitan Planning Area reviewed and approved in accordance with this Agreement.

“MAJOR AMENDMENTS” are significant changes in the Transportation Improvement Program or Long-Range Transportation Plan. One or more of the following will constitute a major amendment: (1) the addition of a new project requiring an environmental assessment or an environmental impact statement; (2) a change to an existing project that requires an air quality conformity determination; (3) a change in a project that requires a change in a previously approved environmental assessment or environmental impact statement; (4) the deletion of a project. (17 AAC 05.195)

“MINOR AMENDMENTS” are non-significant new projects or a change in an existing project in the Transportation Improvement Program or Long-Range Transportation Plan.

“MPA” or “METROPOLITAN PLANNING AREA” means the geographic area determined pursuant to 23 USC § 134(c) in which the MPO carries out the development and implementation of transportation and air quality plans and programs under 23 USC § 134 and the Federal Transit Act § 8, respectively (shown in Attachment #1 to this Agreement).

“MPO” or “METROPOLITAN PLANNING ORGANIZATION” is the cooperative transportation planning organization for the Metropolitan Planning Area.

“NAAQS” is the National Ambient Air Quality Standards.

“NON-ATTAINMENT AREA” is that portion of the Metropolitan Planning Area, which has been designated as an air quality non-attainment area in the Federal Register (shown in Attachment #1 to this Agreement).

“NORTH POLE CITY COUNCIL” is the legislative governing body of the City of North Pole.

“PL” is the Metropolitan Transportation Planning funds authorized by 23 USC § 134.

“PLANNING COMMISSION” is the Fairbanks North Star Borough Planning Commission.

“POLICY COMMITTEE” OR “FMATS POLICY COMMITTEE” is the FMATS Policy Committee established in Section 5.2 of this Agreement for the cooperative decision making in accordance with this Agreement.

“SECTION 5303” – A Federal Transit Administration grant program fund designed to establish a cooperative, continuous, and comprehensive framework for making transportation investment decisions in metropolitan areas.

“SIP” or “STATE IMPLEMENTATION PLAN” is the State of Alaska Air Quality Implementation Plan.

“STATE” is the State of Alaska.

“STIP” is the Statewide Transportation Improvement Program, which is the State’s three year, statewide, financially constrained intermodal program of transportation projects. The STIP is consistent with the statewide transportation plan, and incorporates the TIP. It is developed pursuant to 23 USC § 135(f) and is approved by the Commissioner of ADOT&PF, the Governor, FTA and FHWA.

“TECHNICAL COMMITTEE” or “FMATS TECHNICAL COMMITTEE” is the FMATS Technical Committee established in Section 5.3 of this Agreement for the cooperative decision making in accordance with this Agreement.

“TIP” is the Transportation Improvement Program, which is the FMATS’ three year, financially constrained, intermodal program of transportation projects consistent with the FMATS LRTP for funding Metropolitan Planning Area transportation improvements, updated at least every two years and approved by the FMATS Policy Committee and the Governor in accordance with this Agreement.

“UPWP” is the Unified Planning Work Program, which is the two year operating program detailing funding and responsibilities for transportation planning and air quality

work tasks within the Metropolitan Planning Area. The UPWP provides for a continuing and comprehensive transportation planning process carried out by FMATS.

SECTION 5 – ORGANIZATION AND RESPONSIBILITIES

5.1 FMATS

FMATS is the balanced, cooperative, coordinated and comprehensive process between the MPO and State for the development of an FMATS Long-Range Transportation Plan, Transportation Improvement Program, Unified Planning Work Program and the Air Quality Plan.

5.1.1 In order to receive and expend federal funding for transportation and air quality improvements there must be coordination between the State and the MPO as required by federal regulation. Therefore, the purpose of FMATS is to provide the framework and mechanism for the MPO and the State to jointly develop and implement transportation and air quality plans and programs, which will assure compliance with State and Federal transportation planning and air quality requirements. The duties and responsibilities within FMATS are further described in this section.

5.1.2 FMATS is responsible for the metropolitan transportation planning process within the urbanized boundaries in accordance with the Unified Planning Work Program approved by the Policy Committee, the State, the FHWA, and the FTA.

5.2 FMATS Policy Committee

The Fairbanks Metropolitan Area Policy Committee, hereafter referred to as the “Policy Committee”, shall have as members, the Northern Region Director of the State of Alaska Department of Transportation and Public Facilities (ADOT&PF), the Fairbanks North Star Borough (FNSB) Mayor, the Mayor of the City of Fairbanks, the Mayor of the City of North Pole, a representative of the State of Alaska Department of Environmental Conservation (Air Quality), a designated representative of the FNSB Assembly, and a designated representative of the Fairbanks City Council. Each member of the Policy Committee shall have one vote.

5.2.1 The Powers and Duties of the FMATS Policy Committee

The FMATS Policy Committee shall have overall responsibility for the implementation of this Agreement, coordination of the FMATS’ efforts and responsibilities of the Technical Committee, and the ultimate development and adoption of the FMATS UPWP, FMATS TIP, FMATS LRTP and Air Quality Plan.

5.3 FMATS Technical Committee

There shall be a Technical Committee. Each member of the Technical Committee shall have one vote and all actions of the Technical Committee, including recommendations to the Policy Committee, shall be by a majority vote of the total authorized number of members.

5.4 Metropolitan Planning Area (MPA) under 23 USC § 134(c)

The Metropolitan Planning Area specified by 23 USC § 134(c) shall be the geographical area shown on Attachment #1 to the Agreement incorporated hereto by reference. Provided such boundaries conform to the requirements of 23 USC § 134(c), the MPO and the Governor may mutually agree to change the boundaries of the Metropolitan Planning Area.

SECTION 6 – KEY PLANS and PROGRAMS

6.1 There are four primary planning or programming activities that FMATS is responsible for developing. This section summarizes these key plans and programs, which include the Air Quality Plan, FMATS Long-Range Transportation Plan, Transportation Improvement Program, and FMATS Unified Planning Work Program.

6.1.1 Air Quality Plan

The Fairbanks North Star Borough, with full assistance from DEC, the MPO and all other cooperating agencies, is responsible for developing and updating an Air Quality Plan, which shall:

- (1) Identify area-wide objectives and policies required to attain and maintain the NAAQS for carbon monoxide (CO) for the Metropolitan Planning Area;
- (2) Inventory technical, physical, and other air quality planning data;
- (3) Analyze alternatives and establish strategies designed to attain and maintain the NAAQS for the Metropolitan Planning Area;
- (4) Address any other air quality issues required by the EPA or US Department of Transportation;
- (5) Provide for the implementation of the adopted air quality strategies as expeditiously as practical; and

- (6) Provide for and show reasonable further progress towards achievement of carbon monoxide standards within the non-attainment area.

6.1.2 FMATS Long-Range Transportation Plan

The MPO, in cooperation with the State, is responsible for developing or updating a FMATS Long-Range Transportation Plan. The MPO shall follow the latest federal planning requirements, as prescribed in 23 CFR 450.322.

6.1.3 Transportation Improvement Program

The MPO, in cooperation with the State, is responsible for developing or updating the FMATS Transportation Improvement Program. The MPO shall follow the latest federal planning requirements, as prescribed in 23 CFR 450.324.

6.1.4 Unified Planning Work Program

- (1) The MPO, with full assistance from the State and all other cooperating agencies, is responsible for developing or adjusting the FMATS Unified Planning Work Program. The MPO shall:
 - (a) Describe all the transportation and air quality planning and operational activities to be completed in a calendar year.
 - (b) Ensure early coordination with FHWA and FTA.
- (2) No later than July 1 of each year, ADOT&PF shall submit to the FMATS Policy Committee in writing the amount of estimated Federal PL and Section 5303 funds, and required match ratios, to be made available to FMATS for the next fiscal year of October 1 through September 30. ADOT&PF shall recommend work tasks with budgets for tasks in which it participates. FMATS staff shall develop and implement a UPWP public involvement program and prepare a UPWP with the full cooperation of ADOT&PF and the FMATS Technical Committee. Discussions between ADOT&PF and FMATS shall take place to determine how the proposed tasks can be accomplished in the most efficient and effective manner. The FMATS UPWP shall be reviewed by the FMATS Technical Committee, approved by the FMATS Policy Committee, and forwarded to ADOT&PF for concurrent approval by FHWA and FTA prior to any work being performed.

6.2 Changes/Amendments to Key Plans and Programs

6.2.1 A Major Amendment or Revision

The FMATS Policy Committee, with its responsibility to maintain existing plans and programs, shall approve major amendments. Major amendments will include a public involvement period consistent with FMATS public involvement policy. When written and oral comments are received on the draft FMATS LRTP or the FMATS TIP, a summary, analysis, or report on the nature of the comments shall be made part of the final FMATS LRTP and/or FMATS TIP as part of the document or as an appendix.

6.2.2 A Minor Amendment or Revision:

The FMATS Technical Committee, with its responsibility to maintain existing plans and programs while meeting the overall policy direction set by the FMATS Policy Committee, shall approve minor amendments. Minor amendments to the FMATS LRTP or FMATS TIP do not require FMATS Policy Committee approval, and no public review will be required. Notification of such amendments will be provided as information to the FMATS Policy Committee following the Technical Committee action.

6.2.3 Amendments/Changes to the FMATS Unified Planning Work Program (UPWP).

Changes in work assignments and studies to be performed to meet the air quality and transportation planning requirements may be made by the FMATS Policy Committee at such times and to such extent as deemed necessary. Total funds to be made available for the performance of said work and services shall not exceed the amount specified in the FMATS UPWP. Reimbursement will be made by ADOT&PF in accordance with procedures stated herein, and shall be expended only on the FMATS UPWP approved by the FMATS Policy Committee, the State, FHWA and FTA.

(1) Changes in funding levels for tasks, or changes in tasks, shall be requested as soon as possible after the need for such change is recognized.

(a) Major FMATS UPWP Adjustments
(No additional funding required)

Cumulative adjustments to the task budget amounts that exceed 10 percent of the original approved program budget, individual changes of \$25,000 or more to task budgets, or significant scope changes require the concurrence of the

FMATS Policy Committee, ADOT&PF, FHWA and FTA before becoming effective.

- (b) Minor FMATS UPWP Adjustments
(No additional funding required and no changes to scope)
The ADOT&PF Fairbanks Area Transportation Planner in conjunction with the FNSB Transportation Planner shall approve changes to the task budgets that do not exceed 10 percent of the approved program budget or individual changes of \$25,000 of a task budget require. A minor adjustment requires the concurrence of the FMATS Policy Committee Chair and ADOT&PF before becoming effective. The Policy Committee, FHWA and FTA will be notified as soon as possible of these changes.
- (c) Program Total Funding Adjustments
Requests for additional program funding will require the approval of FMATS Policy Committee, ADOT&PF, FHWA, and FTA.

SECTION 7 – CONSULTANT CONTRACTS

- 7.1 FHWA and FTA Approval: For all federally funded work to be done under a consultant contract, prior FHWA approval is required before a Request For Proposal (RFP) is issued. Early coordination is essential. The contracting agency will provide ADOT&PF with a draft Scope of Services for review and submittal to ADOT&PF Headquarters, FHWA and FTA.
- 7.2 ADOT&PF Approval: The contracting agency will coordinate with ADOT&PF to review the final RFP, Scope of Services, project budget and project management plan. ADOT&PF shall also have an opportunity to serve on the Selection Committee.
- 7.3 Work Products: ADOT&PF will have an opportunity to review draft work products prior to review by the Technical and Policy Committees.

SECTION 8 – INSPECTION OF WORK

ADOT&PF, as well as FHWA and FTA, shall at all times be accorded review and inspection of the work and shall at all reasonable times have access to the premises, to all data, notes, records, correspondence, and instruction memoranda or description which pertain to the work involved in the FMATS UPWP.

SECTION 9 – ADDITIONAL AND SEPARATE WORK PROJECTS

From time to time, ADOT&PF or the MPO may desire one of the other parties to perform additional work projects for services separate and apart from those set forth in the FMATS UPWP. At such times, the requesting party will notify the other party of the intention, including a request for the specific work and/or services desired. If there is a willingness and ability to do the work or perform the services requested, written acceptance by the requesting party of the terms accepted shall constitute authority to proceed with the work and/or services requested. The requesting party shall pay for such work or services within a reasonable time after billing. Such billing shall be made pursuant to the terms agreed upon for each particular work project.

SECTION 10 – PROGRAM REPORTING REQUIREMENTS

10.1 Reporting: UPWP

The MPO, with the full support of the other parties involved, shall report regularly upon the status of such planning and progress made on associated documents. Copies of the report will be provided to the Policy and Technical Committees for their information. The reporting procedures shall include, but not limited to, the following:

10.1.1 Quarterly Reports:

A quarterly financial statement, narrative progress report, and transit element report shall be submitted to ADOT&PF no later than the 23rd day following the last day of each FMATS UPWP fiscal quarter, in order to meet the requirements of 49 CFR 18.40 as supplemented by 23 CFR 420.113.

Within 30 days of the last day of the fiscal quarter, ADOT&PF shall either, review and approve the report, or request modifications. ADOT&PF Northern Region staff will forward the report to ADOT&PF Headquarters. It will be reviewed and forwarded to FTA and FHWA to meet the reporting requirements of 23 CFR 420.

If ADOT&PF staff request modifications, the report will be forwarded to ADOT&PF Headquarters staff as a draft report. The MPO shall then convey a revised submittal to ADOT&PF no later than 40 days following the last day of each fiscal year quarter. ADOT&PF shall approve or request additional modifications to the re-submittal no later than 50 days following the last day of each fiscal year quarter.

This final quarterly report shall serve as the basis for reimbursement and shall consist of the following:

- (1) Financial statement shall include task and program summary of the following data:
 - (a) Current quarterly expenditures
 - (b) Fiscal year to date expenditures
 - (c) PL, Sec. 5303, and local funds/in-kind expended to date
 - (d) PL, Sec. 5303, and local funds/in-kind remaining
- (2) Narrative progress report shall include:
 - (a) A description of work accomplished during the quarter
 - (b) Significant events (i.e. travel, training, conferences)
 - (c) Milestones reached in sufficient detail to justify the quarterly expenditures

For each task, the percentage complete shall be given, how the scheduled completion date matches the program estimated date, as well as the estimated completion date. Explanatory information shall be provided if the estimated completion date differs from the date contained in the UPWP.

- (3) The transit element report shall be in the format prescribed by the ADOT&PF Statewide Transit Coordinator and FTA.

10.1.2 Annual Report

The annual report for the FMATS UPWP fiscal year will contain an annual technical report concerning and summarizing the pertinent development, activities, and accomplishments of the tasks outlined within the UPWP of the past fiscal year. The annual technical report will be submitted within 60 days of the end of the fiscal year.

The report will contain:

- (1) A complete comparison of actual performance with established goal
- (2) Status of expenditures comparing budgeted (approved) amounts with actual costs incurred
- (3) Identify overruns and underruns and all information being consistent with FMATS UPWP revisions

10.1.3 Significant Events

Events that have significant impact on the work program shall be reported as soon as they become known. The type of events or conditions that require reporting include problems, delays or adverse conditions that materially affect the ability to attain program objectives. This disclosure shall be accompanied by a statement of the action taken or contemplated, and any state or federal assistance required resolving the situation.

10.1.4 Other Reports

Copies of formal reports, informal reports, and material emerging out of a task specified in the UPWP shall be governed by Section 11 of this Agreement.

SECTION 11 – PLANNING REPORTS

11.1 Planning Reports:

From time to time, ADOT&PF and the MPO may publish reports, documents, etc., upon completion of a portion and/or a phase of a particular planning element in the continuing transportation planning process. In order for the preparation and publishing of such reports to be eligible for participation of Federal funds, the FMATS Technical Committee shall review the report.

11.2 Publication

Publication by any party to the Agreement shall give credit to other parties, FTA and FHWA. However, if any party, FTA or FHWA does not wish to subscribe to the findings or conclusion of the study, the following statement shall be added:

“The opinions, findings, and conclusions expressed in the publication are those of the authors and not necessarily those of the [excluded party(ies)] or the FTA and FHWA”.

Furthermore, consultant logo's are prohibited from the cover of all reports, documents, etc. that are approved by FTA and FHWA.

11.3 Copies

One (1) Draft report will be submitted for review and two (2) final reports will be submitted for approval to the following agencies:

- Fairbanks North Star Borough
- ADOT&PF Northern Region Planning

- ADOT&PF Statewide Planning
- Federal Highway Administration
- Federal Transit Administration

The FHWA reserves a royalty-free, non-exclusive and irrevocable right to reproduce, publish, or otherwise use, and authorize others to use, the work for Government purposes.

SECTION 12 – DIVISION OF COST AND PAYMENT

12.1 Reimbursement

The maximum amount of Metropolitan Planning Funds available each year for reimbursement to the FNSB shall not exceed the budget approved in the FMATS UPWP or as amended. ADOT&PF will make reimbursement in accordance with the following procedures:

- (1) The FNSB shall submit to ADOT&PF a quarterly narrative progress report and financial statement, as defined in Section 10 of this Agreement.
- (2) Reimbursement will be made within 30 days after ADOT&PF receipt and approval of the quarterly narrative progress reports and financial statements, subject to Federal planning funds being made available and received for the allowable cost.
- (3) Within 60 days of ADOT&PF approval of the last quarter narrative progress report and financial statement for the fiscal year, ADOT&PF will close the FMATS UPWP account and request that an audit be performed.
- (4) The audit will be completed and final payment adjustments made within 120 days of the last quarter or to the extent possible.

12.2 ADOT&PF Tasks:

The parties may agree that ADOT&PF can most efficiently and effectively perform a task or a portion of a task to be funded with PL funds in the approved UPWP. In such cases, ADOT&PF shall:

- (1) Provide the MPO with all necessary documentation in order to permit the preparation of the reports required in Section 10 of this Agreement, Program Reporting Requirements.

- (2) Upon ADOT&PF approval of the quarterly narrative progress reports and financial statements, ADOT&PF shall submit a billing to FHWA for direct payment to ADOT&PF for approved FNSB UPWP costs.
- (3) ADOT&PF shall be reimbursed at the rate contained in the applicable Unified Planning Work Program.
- (4) ADOT&PF shall promptly provide the MPO with copies of its billings and statements.

12.3 Overruns:

The ADOT&PF and the FNSB acknowledge that they will receive benefits from the information developed by performance of the elements outlined in the FMATS UPWP. They agree to pay that portion of their element costs which exceed the total program funding level budgeted for the agency, as shown in the FMATS UPWP, without recourse to the other parties.

12.4 Cost Limitations:

Reimbursement of administrative and operational costs will be made without profit or markup. These costs shall be limited to:

- (1) Direct salaries and wages, with payroll taxes and fringe benefits at actual costs, or if prorated to be allocated on an equitable basis;
- (2) Telephone charges and necessary travel limited to program specific charges;
- (3) Overhead or indirect costs as approved annually in the respective FMATS UPWP line item budget and verified by audit. Such overhead shall be allocated on an equitable basis. Eligibility shall conform to the provisions of 23 CFR 420.111(c);
- (4) Training as approved specifically in the FMATS UPWP or otherwise specifically approved by ADOT&PF, FHWA or FTA.

12.5 Rate of Reimbursement:

Reimbursement shall be at the rate specified and contained in the applicable FMATS UPWP.

12.6 Financial Accounting Level:

The expended funds will be accounted for at the task level (110, 120, 130, etc.).

12.7 Fiscal Year:

The FMATS UPWP fiscal year will be October 1 to September 30.

SECTION 13 – PROCUREMENT, MANAGEMENT, AND DISPOSITION OF PROPERTY

Procurement and management of property acquired for the program, including disposition of property if the program is discontinued, will be in accordance with 48 CFR, and 49 CFR 18.31 – 33.

SECTION 14 – AUDIT PROCEDURES

14.1 In addition to the requirements stated in this section, requirements for audit as defined in 23 CFR 420 and 49 CFR 18 will be used as guidelines. Also, with respect to contract cost principles and procedures, 48 CFR 31 will be used as guidelines.

14.2 Each participating party will maintain complete records of all manpower, materials and out-of-pocket expenses, and will accomplish all record keeping in accordance with the following procedures:

14.2.1 Each participating party will furnish ADOT&PF copies of all certified payrolls which shall include the hourly rate for each employee working on the project during the reporting period. In addition, a loaded rate factor will be shown in a manner compatible with existing FNSB procedures. The load rate factor is subject to adjustment based upon audits occurring during the life of this Agreement.

14.2.2 Time Sheets

Individual time sheets will be maintained reflecting the daily total amount of hours worked and amount of time spent on each task within the program. It is imperative that the hours be traceable to the task.

14.2.3 Materials

Copies of invoices shall support costs of any purchased materials utilized on this project.

14.2.4 Out-of-Pocket Expenses

Copies of receipts shall support all expenses.

14.2.5 Record System

The record system will be such that all costs can be easily traceable from all billings through the ledgers to the source document. Each expenditure must be identified with the task within the current approved FMATS UPWP.

14.2.6 Cost Overruns

When expenditures are anticipated to overrun in one FMATS UPWP work element, the procedures for budget changes as outlined in Section 6.2 must be followed.

- 14.3 Each consultant contract or professional services agreement, in which the FNSB or the ADOT&PF engages, may require a specific audit for that project or agreement. The award of any such construction related engineering design services contract must be made in conformity with applicable Federal and ADOT&PF contracting procedures including ADOT&PF Procedure 10.02.010, and related Professional Services Agreement Handbook, or based on acceptable alternative contracting procedures approved by ADOT&PF and FHWA. This requirement is in addition to any agency-wide audit conducted pursuant to 23 CFR 12 – Single Audit Requirements.
- 14.4 The FMATS Program is to be audited every two years by ADOT&PF Internal Review auditors to insure adequate coverage. ADOT&PF and the FNSB and/or its subcontractors under this Agreement shall maintain all records and accounts relating to its costs and expenditures for the work during any fiscal year for a minimum of three (3) years following receipt of the final payment, and shall make them available for audit by representatives of ADOT&PF, FHWA and FTA at reasonable times. The FNSB shall maintain records in a form approved by ADOT&PF. Final payment is defined as the final voucher paid by FHWA to ADOT&PF based on an audit. A FNSB request to close out a fiscal year or project account does not constitute final payment.
- 14.5 Any review, which does not meet Federal requirements, will be resolved between ADOT&PF and the FNSB. The financial records relating to a FMATS UPWP year may be closed out once FHWA accepts the audit and final payment adjustments have been made.

SECTION 15 – COMPLIANCE WITH TITLE VI, CIVIL RIGHTS ACT OF 1964

- 15.1 The FNSB hereby agrees as a condition to receiving any Federal financial assistance from the USDOT, to comply with Title VI of the Civil Rights Act of

1964, (78 Statute 252, 42 USC § 2000d – 2000d-4 hereinafter referred to as the “Act”) and all requirements imposed by or pursuant to Title 49 CFR, USDOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-assisted Programs of the USDOT, Effectuation of Title VI of the Civil Rights Act of 1964 (hereinafter referred to as the “Regulations”), 49 CFR 26 Participation of Disadvantage Business Enterprises in Department of Transportation financial assistance programs, and the Americans with Disabilities Act and other pertinent directives to the end that in accordance with the Act, Regulations, and other pertinent directives, no person in the United States shall on the grounds of race, color, sex, or national origin be excluded from participation in, be denied the benefits of , or activity for which the FNSB receives Federal financial assistance from the USDOT, including FHWA and FTA, and hereby gives assurance that is will promptly take any measure necessary to effectuate this Agreement. This Assurance is required by 49 CFR 21.7A(1).

15.2 More specifically, and without limiting the above general assurance, the FNSB hereby gives the following specific assurance with respect to the project:

15.2.1 The FNSB agrees that each “program” and “facility” as defined in subsections 21.23(b) and (e) of the Regulations, will be (with regard to a program) conducted or will be (with regard to a facility) operated in compliance with all requirements imposed by, or pursuant to, the Regulations

15.2.2 The FNSB shall insert the clauses of this assurance in every contract subject to the Act and Regulations.

15.2.3 Where the FNSB received Federal financial assistance to carry out a program of managerial training, under 49 USC § 5303 – 5306, the assurance shall obligate the FNSB to make selection of the trainee without regard to race, color, sex, or national origin.

15.2.4 Where the FNSB receives Federal financial assistance to carry out a program under 49 USC § 5303 – 5306, the assurance shall obligate the FNSB to assign transit operators, and to furnish transit operators, for charter purposes without regard to race, color, sex, or national origin.

15.2.5 Where the FNSB receives Federal financial assistance to carry out a program under the 49 USC § 5303 – 5306, routing scheduling, quality of service, frequency of service, age/quality of vehicles assigned to routes, quality of stations serving different routes, and locations of routes may not be determined on the basis of race, color, sex, or national origin.

15.2.6 This assurance obligates the FNSB for the period during which Federal financial assistance is extended to the projects, except where the Federal financial assistance is to provide, or is in the form of, personal property, or

real property or interest therein or structures or improvements thereon; in which case the assurance obligates FNSB or any transferee for the longer of the following periods: a) The period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or b) the period during which the FNSB retains ownership or possession of the property.

15.2.7 The FNSB shall provide for such methods of administration for the program, as are found by the Secretary of Transportation or the official to whom he delegates specific authority to give reasonable guarantee that it, other FNSB sub-grantees, contractors, subcontractors, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Act, the Regulations, and this Assurance.

15.2.8 The FNSB agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Act, Regulations and this Assurance.

15.3 This Assurance is given in consideration of and for the purpose of obtaining, any and all Federal grants, loans, contracts, property, discounts, or other Federal financial assistance extended after the date thereof to the FNSB by the FHWA and/or FTA programs and is binding on it, other FNSB sub-grantees, contractors, subcontractors, transferees, successors in interest, and other participants in FHWA and/or FTA programs. The person or persons whose signature appears below are authorized to sign this assurance on behalf of the FNSB.

SECTION 16 – DISADVANTAGED BUSINESS ENTERPRISES (DBE) PROGRAM REQUIREMENTS

16.1 Compliance

The parties, their agents and employees shall comply with the provisions of 49 CFR 26 and Title VI of the Civil Rights Act of 1964. 49 CFR 26 requires that all parties shall agree to abide by the statements in paragraphs 16.2 and 16.3 and shall include these statements in the FNSB USDOT financial assistance agreement and in all subsequent agreements between the FNSB and any sub-grantees and any contractor.

16.2 Policy

It is the policy of the USDOT that Disadvantaged Business Enterprises (DBE), as defined in 49 CFR 26 shall have an equal opportunity to participate in the performance of contracts financed in whole or part with Federal funds under this Agreement. Consequently the DBE requirements of 49 CFR 26 apply to this Agreement.

16.3 DBE Obligation

The Parties to this Agreement or their contractors agrees to ensure that Disadvantaged Business Enterprises (DBE), as defined in 49 CFR 26 have an equal opportunity to participate in the performance of contracts and sub-contracts financed in whole or part with Federal funds provided under this Agreement. In this regard the Parties to this Agreement and/or their contractors shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of USDOT assisted contracts.

SECTION 17 - AMENDMENTS

This Agreement may be amended only in writing, and must be done prior to undertaking changes or work resulting therefrom or incurring additional costs or any extension of time. Said amendments are subject to approval by the FMATS Policy Committee and the State of Alaska.

SECTION 18 – LIMITATION OF LIABILITY

No liability shall be attached to the State and/or the FNSB by reason of entering into this Agreement, except as expressly provided herein.

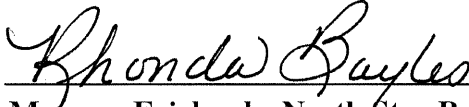
SECTION 19 – COMPLIANCE WITH LAWS

In addition to the laws, statutes, regulations and requirements stated herein, all Parties to this Agreement shall be knowledgeable of and comply with all Federal, State and local laws and ordinances applicable to the work to be done under this Agreement.

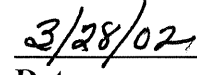
SECTION 20 – TERMINATION OF AGREEMENT

This Agreement will continue in force until or unless the Parties terminate the Agreement in writing.

SIGNATURES



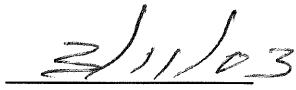
Mayor – Fairbanks North Star Borough



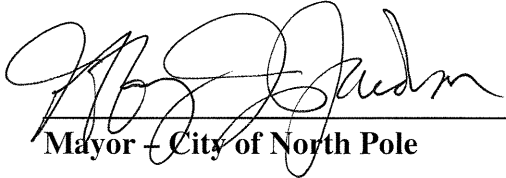
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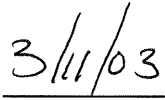
Mayor – City of Fairbanks



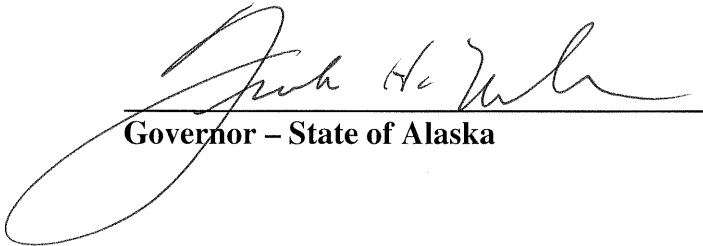
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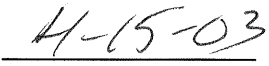
Mayor – City of North Pole



Date



Governor – State of Alaska



Date

Attachment #1

FMATS Metropolitan Planning Area Boundary Map